

Senate Study Bill 1132 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE
ON COMMERCE BILL BY
CHAIRPERSON DANDEKAR)

A BILL FOR

1 An Act relating to the disapproval of rate filings of certain
2 casualty insurers.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 515F.6, subsections 2 and 3, Code 2011,
2 are amended to read as follows:

3 2. If, at any time after a rate has been approved,
4 the commissioner finds that the rate no longer meets the
5 requirements of this chapter, the commissioner ~~may~~ shall
6 order the discontinuance of use of the rate and shall order a
7 refund of the rate, to the extent the commissioner has found
8 the rate excessive, to any person who has paid the rate.
9 ~~The~~ An order of discontinuance or refund may be issued only
10 after a hearing with at least ten days' prior notice for
11 all insurers affected by the order. The order must be in
12 writing and state the grounds for the order. ~~The~~ An order of
13 discontinuance shall state when, within a reasonable period
14 after the order is issued, the order of discontinuance shall
15 be effective. ~~The order shall not affect a contract or policy~~
16 ~~made or issued prior to the expiration of the period set forth~~
17 ~~in the order.~~ An order of refund shall state the period for
18 which the commissioner has found the rate to be excessive, the
19 methodology by which the refund shall be calculated, and the
20 date by which the refund shall be paid to any person who has
21 paid the rate.

22 3. An insured ~~which~~ who is aggrieved with respect to a
23 filing which is in effect may make written application to the
24 commissioner for a hearing on that filing. The application
25 shall specify the grounds to be relied upon by the applicant.
26 If the commissioner finds that the application is made in
27 good faith, that the applicant would be so aggrieved if the
28 applicant's grounds are established, and that the grounds
29 otherwise justify holding a hearing, a hearing shall be held
30 within thirty days after receipt of the application, upon
31 not less than ten days' written notice to the applicant and
32 to every insurer and advisory organization which made that
33 filing. In connection with the hearing, the applicant shall
34 have the right to serve requests for information upon any party
35 to the hearing, to call witnesses, to offer evidence including

1 rebuttal evidence, to cross-examine any witness that another
2 party or the commissioner calls, and to present argument and
3 summation.

4 If, after hearing, the commissioner finds that the
5 filing does not meet the requirements of this chapter, the
6 commissioner shall issue an order specifying in what respects
7 the filing fails to meet the requirements of this chapter, and
8 stating when, within a reasonable period after the order is
9 issued, the filing shall no longer be in effect. If, after
10 hearing, the commissioner finds that the rate is excessive,
11 the commissioner shall issue an order stating the period for
12 which the commissioner has found the rate to be excessive,
13 the methodology by which the refund shall be calculated, and
14 the date by which the refund shall be paid to any person who
15 has paid the rate. Copies of the order shall be sent to the
16 applicant and to every insurer and advisory organization which
17 made that filing. ~~The order shall not affect a contract or~~
18 ~~policy made or issued prior to the expiration of the period set~~
19 ~~forth in the order.~~

EXPLANATION

21 This bill relates to the disapproval of rate filings of
22 certain casualty insurers by the commissioner of insurance.

23 The bill amends Code section 515F.6 to require the
24 commissioner to order the discontinuance of use of a rate
25 when the commissioner finds that the rate no longer meets the
26 requirements of Code chapter 515 and to order a refund of the
27 rate, to the extent that it is excessive, to any person who has
28 paid the rate. The bill specifies the content for orders of
29 discontinuance and refund.

30 The bill also specifies what rights an aggrieved insured has
31 in connection with a hearing requested by the insured on a rate
32 filing and specifies the content for orders of discontinuance
33 and refund made by the commissioner upon finding that a rate
34 is excessive.